

Rule 22 – Charitable or Civic Contributions

100 General

Reasonable charitable or civic contributions shall be allowed as cost of service; however, the Commission shall not allow as cost of service for rate-making purposes any expenditures which it determines not to be reasonable, prudent or in the public interest. Due to the varied sizes and operations of the utilities regulated by the Commission, contributions will be studied individually to determine allowance as cost of service.

101 Allowance Guidelines

The following guidelines shall apply for allowance of contributions as cost of service:

1. Charitable or civic contributions shall be allowed as cost of service only when made a) to organizations that provide services or benefits designed to offset or mitigate costs of providing utility services or b) to such organizations that provide services or benefits to ratepayers that improve the quality, availability, conservation or efficient use of resources utilized by public utilities. Additionally, qualifying contributions may be made only to those organizations that provide benefits or services within the contributing utilities' service area. When seeking to recover contributions as cost of service, the utility shall include a description of the charitable or civic organization, its purpose, the activity for which the contribution was made and the area the organization serves.
2. Each charitable or civic contribution for which recovery is sought as cost of service shall be matched in an equal amount by the utility's stockholders. All such contributions shall be made in the name of the company and its customers, generically.
3. The aggregate amount of contributions of any investor-owned electric utility allowed as cost of service for recovery from ratepayers in any one year shall not exceed the lesser of \$250,000 or the amount when spread over all customer classifications results in a charge of \$00.06 per 1000 kWh usage per month for twelve months for residential customers.

The aggregate amount of contributions of any gas utility having a rate base in excess of \$100,000,000 allowed as cost of service for recovery from ratepayers in any one year shall not exceed \$150,000. For any gas utility or other utility having

a rate base of \$100,000,000 or less, such recoverable allowance shall not exceed \$25,000.

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Source: Mississippi Code Annotated §§ 77-3-45, -79